

# Estate of Chemetco, Inc.

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December 3, 2010

James L. Morgan  
Assistant Attorney General  
Environmental Bureau  
500 Second Street  
Springfield, IL 62706

Re: Chemetco Demo Plan and Pilot Plant Progress

Dear Jim:

This letter responds to your November 22, 2010 letter. The Estate and IAD/Paradigm agree with the government on the value of clear communication regarding the implementation of the Demo Plan. In that spirit, please see the following specific responses to your November 22, 2010 letter:

**1. Designation of Supervising Contractor for Demo Plan.** While it is characterized as “email traffic” in your letter, IAD was identified as the Supervising Contractor for the Estate with regard to the implementation of the Demo Plan in Bryan Stone’s June 24, 2010 email containing the final resolution of issues regarding the Demo Plan. Specifically, in the Agency’s June 29, 2010 response to Mr. Stone’s email, IEPA responded “Yes” to the statement:

As long as it proceeds consistent with the items 1 through 5 above, IAD, as the Supervising Contractor for the Estate, understands that it can continue to move forward with demo planning and implementation. However, IAD and the Estate further understand that they must submit a final revised Demo Plan consistent with items 1 through 5 above prior to engaging in active demolition (i.e., moving of MBM or actual tear down of structures).

(emphasis added). Since then, IAD, through its contractors AIS and AMEC, has been acting as the Supervising Contractor for the implementation of the Demo Work Plan and has provided updates to both the Estate and IEPA and USEPA as discussed in the following paragraph. Your November 22, 2010 letter is the first time that the government has indicated that there was an issue with the Supervising Contractor designation for the Demo Plan. Moreover, under the Interim Order, neither the definition of Supervising Contractor nor paragraph 12 regarding selection of a Supervising Contractor, requires that the Supervising Contractor be an individual nor states that the Supervising Contractor must be registered to do business in Illinois. Nonetheless, in response to your request for the designation of an individual, David Herrera, AIS President, is the individual designated for communications regarding the Demo Plan implementation with copies of all written

communications with the government to or from Mr. Herrera regarding the Demo Plan to be provided to Jorge Garcia, the Estate's ESH representative.

**2. AIS will continue to file weekly Demo Plan Progress Reports.** AIS has been providing weekly progress reports to IEPA, USEPA, the Estate and IAD on the implementation of the Demo Plan. These progress reports are used to facilitate discussion during the weekly demolition implementation update calls. AIS will continue to provide those reports on a weekly basis. Examples of previous weekly demolition progress reports are attached.

**3. Resumption of biweekly Pilot Plant progress reports.** As stated in Steve Poplawski's November 18, 2010 email to Erin, our apologies for not keeping the government better informed between mid-September and November 18 regarding the status of the pilot plant project. As you know, we submitted a pilot plant status report with Steve's November 18, 2010 email. Mr. Stegin or Mr. Zuber will continue to make the biweekly pilot plant report submittals.

**4. Chemical Hygiene Officer and Plan.**

The issue of a Chemical Hygiene Officer and Plan will be addressed by December 10, 2010 as provided in your November 22, 2010 letter.

**5. Cost of Demo Plan Implementation.**

As stated at the beginning of this response, the Estate and Paradigm appreciate the importance of effective communication as we continue to make considerable progress in improving site conditions. In that regard, we believe that it is also important to keep in mind the improvement in site conditions as a result of the implementation of the Demo Plan under IEPA and EPA's supervision. By way of illustration, please see the before and after photographs of the Dome Building and Tank House included herein.

To date, the cost of implementing the Demo Plan is approximately \$725,000. We will provide another update of the costs incurred in implementing the Demo Plan at the end of first quarter 2011.

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We are also preparing a response to USEPA Project Manager Michelle Kerr's November 24, 2010 letter. If after reviewing this response and our response to Ms. Kerr's letter, you still believe that a meeting or conference call would be helpful in December please do not hesitate to contact us to arrange scheduling. Thanks for your continued attention to this matter.

Best regards,

Donald Samson  
Trustee Estate of Chemetco

Penni Livingston  
Counsel for the Estate

Steven J. Poplawski, Bryan Cave LLP  
Counsel for IAD/Paradigm

cc: Elliott Stegin  
Michelle Kerr  
Chris Cahnovsky  
Erin Rednour  
Tom Martin  
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